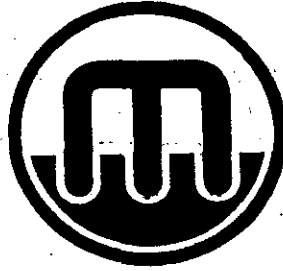


# 10th Annual Report 1998-99



For Mandasaur Ferro Alloys Ltd.

  
Chairman &  
Managing Director

Director

  
**MANDSAUR FERRO  
ALLOYS LIMITED**

**BOARD OF DIRECTORS**

SHRI VINOD KUMAR JAIN (Chairman & Managing Director)  
 SHRI NAVNITDAS PAREKH  
 SHRI PANKAJ JAIN  
 SHRI SUNIL PAREKH

**BANKERS**

UNION BANK OF INDIA, Mandsaur (M.P.)  
 PUNJAB NATIONAL BANK, Mandsaur (M.P.)  
 DENA BANK, Mandsaur (M.P.)

**AUDITORS**

C. H. PADLIYA & CO.  
 Chartered Accountants  
 INDORE (M.P.)

**REGISTERED & ADMINISTRATIVE OFFICE**

12-14, Industrial Estate,  
 Mhow-Neemuch Road,  
 Mandsaur (M.P.)

**PLANT**

Village - Botalganj,  
 Dist. Mandsaur (M.P.)

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## MANDSAUR FERRO ALLOYS LIMITED

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#### NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Shareholders of Mandsaur Ferro Alloys Limited, will be held on Thursday, the 30th September, 1999 at 4.30 p.m. at the Registered Office of the Company at 12-14, Industrial Estate, Mandsaur - 458 001 (M.P.) to transact the following business.

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Sunil Parekh who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification the following Resolution as an ordinary Resolution :  
**RESOLVED THAT** in accordance with the Provisions of Sections 198, 269, 309, 310 and 311 and other applicable Provisions, if any, of the Companies Act, 1956 (the said Act) read with Schedule XIII to the said Act (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government and/or any other approvals, if required, consent of the Company be and is hereby accorded to the appointment of Shri Vinod Kumar Jain as Managing Director of the Company for a period of five years with effect from 30th June, 1999 at a remuneration of Rs. 10,000/- per month subject to revision in the salary and perquisites as the board may think desirable from time to time and as may be acceptable to Shri V. K. Jain.  
**FURTHER RESOLVED THAT** pursuant to the above mentioned Provisions of the said Act and subject to the approval of the Central Government, if required, the remuneration aforesaid be paid to Shri V. K. Jain as the minimum remuneration in the event of loss or inadequacy of Profits in any financial year, subject to such limits as may be prescribed in the Part II of the said Schedule XIII to the said Act from time to time.  
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is, hereby, authorised to take all such steps as may be necessary to give effect to this Resolution.
5. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution.  
**"RESOLVED THAT** Shri Pankaj Jain be and is hereby appointed as a Director of the Company."

**Registered Office :**  
 12-14, Industrial Estate,  
 Mhow-Neemuch Road,  
 MANDSAUR - 458 001. (M.P.)  
 Dated : 30th June, 1999.

By Order of the Board  
 For Mandsaur Ferro Alloys Ltd.

(V. K. Jain)  
 CHAIRMAN & MANAGING DIRECTOR

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
2. The explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of special business is annexed hereto.
3. Members are requested to notify to the Company Changes, if any, in their registered address.
4. The Register of Member and Share Transfer Books of the Company shall remain closed from Thursday the 23rd September, 1999 to Thursday the 30th September, 1999 (both days inclusive).



**MANDSAUR FERRO ALLOYS LIMITED**  
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**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 RELATING TO THE ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE**

**ITEM NO. 4**

In view of the relinquishment of the post of Managing Director by Shri S. L. Jain, The Board of Directors of the company has in its meeting held on 30.06.99 appointed Shri Vinod Kumar Jain as the Managing Director of the company for a period of five years w.e.f. 30.06.99 at a salary of Rs. 10,000/- per month. The resolution proposed at item no. 4 of the notice is intended to seek your approval in that regard. None of the Directors except Shri V. K. Jain himself and Shri Pankaj Jain being his relative, is, in any way, concerned or interested in the resolution.

**ITEM NO. 5**

The Board of Directors of the company has, in its meeting held on 30.06.99 appointed Shri Pankaj Jain as an Additional Director of the company w.e.f. 30.06.99 who, in terms of section 260 of the Companies Act, 1956 and Article 115 of the Articles of Association of the Company, holds office upto the date of this Annual General Meeting. Hence the resolution at item no. 5 of the notice is proposed for your approval. A member has given notice under section 257 of the Companies Act, 1956, of his intention to propose Shri Pankaj Jain as a Director at the meeting. None of the Directors except Shri Pankaj Jain himself and Shri V. K. Jain being his relative is, in any way, concerned or interested in the resolution.

By order of the Board  
 For Mandasaur Ferro Alloys Ltd.,

Registered Office :  
 12-14, Industrial Estate,  
 Mhow-Neemuch Road, Mandasaur (M.P.)  
 DATE :30th JUNE, 1999.

(V. K. Jain)  
 Chairman & Managing Director

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## MANDSAUR FERRO ALLOYS LIMITED

### ANNUAL REPORT 1998-99

#### DIRECTORS' REPORT

Your Directors have the pleasure in presenting their Tenth Annual Report together with the Audited Accounts for the year ended 31st March, 1999.

#### FINANCIAL RESULTS :

	For the year ended 31.03.99 (Rs. in Lacs)	For the year ended 31.03.98 (Rs. in Lacs)
1. Sales & Other Income	23.78	71.49
2. Gross Profit before Interest, Depreciation and Taxes	(-) 20.95	(-) 26.32
3. Interest	0.31	5.77
4. Depreciation	36.63	33.50
5. Net Profit before taxes	(-) 57.89	(-) 65.59
6. Net Profit after taxes (carried to Balance Sheet)	(-) 57.89	(-) 65.59

As reported last the ferro chrome project had to be closed. The Ceramic tiles division also faced difficult market condition during the year. The company has taken up additional activity of manufacturing sanitary ware.

#### DIVIDEND :

In view of losses suffered by the Company, your Directors are unable to recommend dividend for the year.

#### FUTURE OUTLOOK :

In face of the continuing market recession the Company is striving to come out of the crunch and your Directors are hopeful that the market conditions will improve soon.

#### DIRECTORS :

Shri S. L. Jain has resigned from and relinquished the post of Director & Managing Director of the company w. e. f. the afternoon of 30.06.1999. The Board places on record its sincere appreciation for the valuable service and able guidance provided by Shri Jain to the Company during the tenure of his Directorship.

Shri Vinod Kumar Jain has been appointed as the Managing Director of the Company w.e.f. 30.06.1999.

Shri Pankaj Jain has been appointed as Additional Director of the Company w.e.f. 30.06.1999.

Shri Sunil Parekh retires by rotation and is eligible for reappointment.

#### PUBLIC DEPOSITS :

The Company has neither invited nor accepted any deposits from public during the year.

#### PERSONNEL :

Relations between the management and employees have remained cordial during the year. Your Directors place on record their appreciation for the contribution made by the employees at all levels of operations of the company during the year.

#### PARTICULARS OF EMPLOYEES :

Since no employee was in receipt of remuneration in aggregate of Rs. 3,00,000/- or above during the year while employed throughout the year or at the rate of not less than Rs. 25,000/- per month, if employed for part of the year, statement showing information Under Section 217 (2A) of the Companies Act, 1956 has not been furnished.

#### PARTICULARS U/S 217 (1) (e) OF THE COMPANIES ACT, 1956 :

The particulars to be disclosed as required U/s 217 (1) (e) of the Companies Act, 1956 read with (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are detailed in Annexure to this Report.

#### AUDITORS :

You are requested to appoint Auditors and fix their remuneration. The retiring Auditors M/s. C. H. Padliya & Co., are eligible for reappointment.

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For & on behalf of the Board

PLACE : MANDSAUR  
DATED : 30th June, 1999

(V. K. JAIN)  
CHAIRMAN & MANAGING DIRECTOR



## MANDSAUR FERRO ALLOYS LIMITED

### ANNUAL REPORT 1998-99

#### ANNEXURE TO DIRECTORS REPORT FOR THE YEAR 1998-99 PARTICULARS U/s 217 (1) (e) OF THE COMPANIES ACT, 1956

##### (A) CONSERVATION OF ENERGY

###### (a) ENERGY CONSERVATION MEASURES TAKEN.

The Company has been taking specific care in using better quality of Raw material thereby reducing the energy consumption.

###### (b) ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

The company does not have any proposals, to make additional investment in this regard.

###### (c) IMPACT OF MEASURES (a) AND (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.

The selection of better quality of Raw Material has helped marginally in reducing the cost of energy consumption per unit of production. The Company expects to further reduce energy consumption per unit of production in current year.

###### (d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION POWER AND FUEL CONSUMPTION.

	Current year 31.03.99	Previous year 31.03.98
1. Electricity		
(a) Purchased Units (in lacs)	Nil	Nil
Total Amount (Rs. in lacs)	Nil	Nil
Rate per Unit (Rs.)	Nil	Nil
(b) Own Generation :		
i) Through Diesel Generator Unit	70,000	1,90,000
Unit per ltr. of Diesel Oil	3	3
Cost per unit	3.25	3
ii) Through Steam turbine/generator units	Nil	Nil
Units per ltr. of fuel oil/gas	Nil	Nil
Cost per Unit	Nil	Nil
2. Coal		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil
3. Furnace Oil		
Quantity (K. ltrs.)	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
4. Other Internal Generation		
Quantity	Nil	Nil
Rate/Unit	Nil	Nil

##### CONSUMPTION PER UNIT OF PRODUCTION

Product : Ceramic Tiles

Electricity (Units per M. Ton)

Kerosene Oil (Litres per M. Ton)

Coal

Other

325

240

Nil

Nil

335

242

Nil

Nil

##### (B) TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D carried out by the company.

2. Benefits derived as a result of the above R&D.

3. Future plan of action.

The Company has not carried out R&D activity during the year.

Not applicable.

The Company proposes to carry out R&D for Manufacturing of fertilisers from the slag. (Waste generated from production)



**MANDSAUR FERRO ALLOYS LIMITED**  
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4. Expenditure on R&D		
(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil
(c) Total	Nil	Nil
(d) Total R&D Expenditure as a percentage of total turnover.	Nil	Nil

**Technology Absorption, Adaptation and Innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product development import substitution etc.	Not applicable	Not applicable
3. In case of imported technology (Imported during the last 5 years reckoning from the financial year.)	The Company has not imported any technology so far.	
Following information may be furnished.		
(a) Technology imported	Not applicable	Not applicable
(b) Year of import	Not applicable	Not applicable
(c) Has technology been fully absorbed.	Not applicable	Not applicable
(d) If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action	Not applicable	Not applicable

**(C) FOREIGN EXCHANGE EARNING AND OUTGO**

(a) Activities relating to exports initiatives taken to increase exports market for product services, and export plans.	Nil	Nil
(b) Total Foreign exchange used and earned.	Nil	Nil

For & on behalf of the Board of Directors

PLACE : MANDSAUR  
 DATED : 30th June, 1999

(V. K. JAIN)  
 CHAIRMAN & MANAGING DIRECTOR